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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
JACKSON DIVISION**

<p>In re:</p> <p style="text-align: center;">WAREHOUSE 86, LLC</p> <p style="text-align: center;">Debtor</p> <hr style="width: 100%;"/>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>CASE NO. 08-03423-EE</p> <p>Chapter 11</p>
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**DEBTOR'S MOTION TO COMPROMISE AND SETTLE DISPUTED CLAIMS
WITH EMPLOYERS MUTUAL CASUALTY INSURANCE COMPANY**

Warehouse 86, LLC, the Debtor and debtor-in-possession herein ("Debtor" or "Warehouse 86"), by and through its attorneys, files this Motion to Compromise and Settle Disputed Claims with Employers Mutual Casualty Insurance Company ("EMC"), and would show unto the Court the following:

Introduction

1. On November 4, 2008 (the "Petition Date"), Debtor filed its Voluntary Petition in this bankruptcy case (the "Bankruptcy Case") under Chapter 11 of the Title 11 United States Code (the "Bankruptcy Code"). Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, Debtor is continuing to manage its assets as Debtor in possession. No trustee or examiner has been appointed in this Bankruptcy Case.

2. An Official Committee of Unsecured Creditors (the "Committee") was appointed in this Bankruptcy Case on November 19, 2008 [Dkt. # 062].



checks made payable to Debtor and SCK, as evidenced by collective Exhibit "B" hereto, as follows:

Date	Payees	Check Number	Amount
07/23/2009	Warehouse 86, LLC and SC Kiosks, Inc.	H03305822	\$1,060,000.00
08/12/2009	Warehouse 86, LLC and SC Kiosks, Inc.	H03306059	\$979,882.35
08/12/2009	Warehouse 86, LLC and SC Kiosks, Inc.	H03306060	\$50,000.00
07/22/2009	Warehouse 86, LLC	H03305808	\$10,000.00
Total			\$2,099,882.35

12. Of the Insurance Proceeds represented by Check Number H03305822 for the fire loss, the subcategories and sub-policy limits under which the payments were made were as follows:

- (A) \$1,000,000.00 – payments for personal property losses (policy limits);
- (B) \$50,000 – payments of the sublimits for Business Income loss and Extra Expenses (sub-policy limits); and
- (C) \$10,000.00 – payment for debris removal (sub-policy limits).

13. Of the Insurance Proceeds represented by Check Numbers H03306059 and H03306060 for the tornado loss, the subcategories and sub-policy limits under which the payments were made were as follows:

- (A) \$979,882.35 – payments for all personal property losses (check number H03306059); and
- (B) \$50,000 – payment of the sublimit for Business Income loss (check number H033060600)

14. The Insurance Proceeds described in paragraphs 12 and 13 above have been endorsed by both the Debtor and SCK and were deposited into the registry of the Court on August 26, 2009 pending determination by the Court of the extent to which each party is entitled to those funds. *See Order Approving Joint Motion of Warehouse 86 LLC and SCK, Inc f/k/a*

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Exhibit B Page 1 of 4 No. H03305822

EMC Insurance Companies

ISSUED AT PO BOX 6011
RIDGE LAND MS 39158-6011

ISSUED H03305822
07/23/09
JJ

PAYEE Warehouse B6 LLC and SC Kiosks, Inc.

\$1,060,000.00

(NON-NEGOTIABLE)

PAYMENT OR Business Income loss-\$50,000, \$1,000,000 policy limit on
business personal property and \$10,000 debris removal

SENT TO 00009
BUTLER SNOW
ATTN STEVE ROSENBLATT
PO BOX 22567
JACKSON MS 39225-2567

CLAIM POLICY HF80-Z00479887 Loss 02/11/08
AGENT 3A22278 from 04/15/07 to 04/15/08
INSURED AH-9333 MARCHETTI ROBERTSON & BRICKE
APPROVED Warehouse B6 LLC W86 Proper
CHUCK-H

PLEASE RETAIN THIS PORTION FOR YOUR RECORDS

ORIGINAL DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK ON REVERSE SIDE. HOLD AT ANGLE TO VIEW.

EMC Insurance Companies

ISSUED AT PO BOX 6011
RIDGE LAND MS 39158-6011

ISSUED H03305822
07/23/09

PAY TO Warehouse B6 LLC and SC Kiosks, Inc.

THE SUM ONE MILLION SIXTY THOUSAND DOLLARS AND NO CENTS

PAYMENT OR Business Income loss-\$50,000, \$1,000,000 policy limit on
business personal property and \$10,000 debris removal

CLAIM POLICY HF80-Z00479887 Loss 02/11/08
AGENT 3A22278 from 04/15/07 to 04/15/08
INSURED AH-9333 MARCHETTI ROBERTSON & BRICKE
APPROVED Warehouse B6 LLC W86 Proper
CHUCK-H

UMB Bank, NA
St Joseph, MO 64507
VOID IF NOT CASHED
WITHIN 90 MONTHS

1,060,000.00

Frankie P. [Signature]
AUTHORIZED SIGNATURE

03305822 101219017 5008008361



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EMC Insurance Companies

NO. H03306059

ISSUED PO BOX 6011
AT RIDGELAND MS 39158-6011

ISSUED H03306059
08/12/09
CM

PAYEE Warehouse 86 LLC and SC Kiosks, Inc.

\$\$\$979,882.35

(NON-NEGOTIABLE)

PAYMENT FOR Any and all claims for business personal property

SENT TO 00007
BUTLER SNOW
PO BOX 22567
STEVE ROSENBLATT
JACKSON MS 39225-2567

CLAIM HF80-Z00478316 Loss 02/05/08
POLICY 3A22278 from 04/15/07 to 04/15/08
AGENT AH-9333 MARCHETTI ROBERTSON & BRICKE
INSURED Warehouse 86 LLC W86 Proper
APPROVED CHARLES-B

PLEASE RETAIN THIS PORTION FOR YOUR RECORDS

ORIGINAL DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK ON REVERSE SIDE - HOLD AT ANGLE TO VIEW

EMC Insurance Companies

ISSUED PO BOX 6011
AT RIDGELAND MS 39158-6011

ISSUED H03306059
08/12/09
CM

PAY TO Warehouse 86 LLC and SC Kiosks, Inc.

THE SUM NINE HUNDRED SEVENTY NINE THOUSAND EIGHT HUNDRED EIGHTY TWO DOLLARS AND 35 CENTS

PAYMENT FOR Any and all claims for business personal property

CLAIM HF80-Z00478316 Loss 02/05/08
POLICY 3A22278 from 04/15/07 to 04/15/08
AGENT AH-9333 MARCHETTI ROBERTSON & BRICKE
INSURED Warehouse 86 LLC W86 Proper
APPROVED CHARLES-B

Charles Brock
AUTHORIZED SIGNATURE

U.S. Bank, N.A.
St. Joseph, MO 64507
VOID IF NOT CASHED
WITHIN SIX MONTHS

⑈03306059⑈ ⑆101219017⑆ ⑈5008008361⑈

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EMC Insurance Companies

ISSUED AT PO BOX 6011
RIDGE LAND MS 39158-6011

ISSUED H03306060
08/12/09
CM

PAYEE Warehouse 86 LLC and SC Kiosks, Inc.

\$***50,000.00

(NON-NEGOTIABLE)

PAYMENT FOR Any and All claims pertaining to business interruption

SENT TO 00008
BUTLER SNOW
PO BOX 22567
STEVE ROSENBLATT
JACKSON MS 39225-2567

CLAIM POLICY HF80-Z00478316 Loss 02/05/08
AGENT 3A22278 from 04/15/07 to 04/15/08
INSURED AH-9333 MARCHETTI ROBERTSON & BRICKE
APPROVED Warehouse 86 LLC W86 Proper
CYNTHIA-M

PLEASE RETAIN THIS PORTION FOR YOUR RECORDS

ORIGINAL DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK ON REVERSE SIDE - HOLD AT ANGLE TO VIEW			
EMC Insurance Companies		NO. H03306060	
ISSUED AT	PO BOX 6011 RIDGE LAND MS 39158-6011	ISSUED	H03306060 08/12/09 CM
PAY TO	Warehouse 86 LLC and SC Kiosks, Inc.		
THE SUM	\$ ***50,000.00		
PAYMENT FOR	Any and All claims pertaining to business interruption		
CLAIM POLICY	HF80-Z00478316	Loss	02/05/08
AGENT	3A22278	from	04/15/07 to 04/15/08
INSURED	AH-9333	MARCHETTI ROBERTSON & BRICKE	
APPROVED	Warehouse 86 LLC	W86 Proper	
		CYNTHIA-M	

03306060 101219017 5008008361

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NO. H 03305808

EMC Insurance Companies

ISSUED PO BOX 6011
AT RIDGELAND MS 39158-6011

ISSUED H03305808
07/22/09
JJ

PAYEE Warehouse 86 LLC

\$***10,000.00

(NON-NEGOTIABLE)

PAYMENT FOR Property of others

SENT TO 00013
BUTLER SNOW
ATTN STEVE ROSENBLATT
PO BOX 22567
JACKSON MS 39225-2567

CLAIM HF80-Z00479887 Loss 02/11/08
POLICY 3A22278 from 04/15/07 to 04/15/08
AGENT AH-9333 MARCHETTI ROBERTSON & BRICKE
INSURED Warehouse 86 LLC W86 Proper
APPROVED JIM-J

PLEASE RETAIN THIS PORTION FOR YOUR RECORDS

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EMC Insurance Companies

ISSUED PO BOX 6011
AT RIDGELAND MS 39158-6011

ISSUED H03305808
07/22/09
JJ

PAY TO Warehouse 86 LLC

THE SUM TEN THOUSAND DOLLARS AND 00 CENTS

PAYMENT FOR Property of others

CLAIM HF80-Z00479887 Loss 02/11/08
POLICY 3A22278 from 04/15/07 to 04/15/08
AGENT AH-9333 MARCHETTI ROBERTSON & BRICKE
INSURED Warehouse 86 LLC W86 Proper
APPROVED JIM-J

U.S. Bank, NA
ST. LOUIS, MO 64507
VOID IF NOT CASHED
WITHIN SIX MONTHS

AUTHORIZED SIGNATURE

H03305808 1012190171 5008008361